

**Omnibus Lawful Gambling Bill – HF 1801/ SF 1555)**  
**Summary of Changes Affecting Lawful Gambling**  
**All Changes Effective August 1, 2005, unless noted otherwise**

**BINGO**

- **Bar bingo** conduct clarified. No rent may be paid for bar bingo. Noon hour bingo eliminated.
- **Bingo occasion** clarified. Removes game and occasion limits and restricts to maximum of 8 hours.
- **Bingo cash discrepancies** - modifies the reporting requirement to the Board for bingo gross receipts discrepancies greater than \$50 per occasion (was \$20).
- **Electronic devices** - allows use of device by player to monitor bingo paper and identify winning bingo pattern. Outlines minimum requirements and restrictions for Board rules.

**PULL-TABS AND TIPBOARDS**

- **Tipboard prizes** - raises maximum prize for tipboard to \$599, same as pull-tabs
- **Tipboard game signatures** - clarifies signature requirements for tipboard games with more than 32 tickets. Those with 32 or less don't need qualifying signatures.
- **Posting** - Requires the posting of "winning tickets" at all sites where nongambling employees of the organization are allowed to play the games. Gambling employees may purchase tipboards or pull-tabs at the site of employment if all major prizes are posted and the employee is not involved in the sale of tipboards or pull-tabs at that site.

**RAFFLES**

- **Raffles** - definition expanded to allow a "certificate of participation " for unique activities such as a "duck race". Clarifies the conduct of raffles. Effective 6-4-2005.

**LICENSE AND RENT CHANGES**

- **Bingo hall** - repeals requirement for "Bingo hall license." References to bingo halls deleted and clarifies premises used for bingo.
- **Gambling manager bond** - changes bond requirement from fidelity bond to dishonesty bond (Bond limit remains at \$10,000). May list GM position instead of GM name.
- **Bingo rent changes** - Sets new rent limits for conduct of bingo. Rent is all-inclusive, unless approved by the Board director.
- **Annual goal** - requires organization to identify in license application its annual goal for charitable contributions
- **Officer qualifications** - clarifies criminal background checks for officers of licensed organizations will focus on theft or fraud convictions and removes five year timeframe.
- **Illegal gambling** - Board may authorize organization to withhold rent for up to 90 days, with continued tenancy, at a site where illegal gambling occurred and lessor/employees participated in or knew of illegal gambling and did not stop the illegal activity. On new leases with language.

**EXEMPT AND EXCLUDED PERMITS (NONLICENSED ORGANIZATIONS)**

- **Excluded raffles** - removes requirement for raffles under \$1,500 to be registered with Board.
- **Exempt permits** - adds penalty provision for failing to report financial information to the Board. Allows raffle tickets to be sold in conjunction with membership solicitation or membership dinner but cannot be included with any other raffle conducted by the organization.

**LOCAL UNIT OF GOVERNMENT**

- **Local unit of government** - Requires local government to share reports with Board for local regulatory actions.

## All Changes Effective August 1, 2005, unless noted otherwise

### LAWFUL PURPOSE

- A-2 Allows for expenditures for goods/services in addition to direct contribution to an individual or family suffering from poverty, homelessness, or a disability.
  - A-3 Replaces the word "compulsive gambling" with "problem gambling." Removes contributions for treatment for "delayed posttraumatic stress syndrome" (is a "disability" under A-2).
  - A-6 Removes "humanitarian" – maintains contributions for "military/vets." Allows donations for support services for active military personnel and families in need.
  - A-9
    - Removes the word "wholly" and allows for payment of property taxes for a permitted gambling premises owned by the licensed organization (wholly leased language for veterans organizations remains).
    - Removes the limit allowed for real estate taxes.
    - Code A-9 change effective January 1, 2006.
  - A-12 Modifies the classification of annual audit
    - payment of audit prior to 6/30/06 is a lawful purpose expenditure;
    - payment of audit after 6/30/06 is an allowable expense.
  - A-13 Combines two DNR-related categories (A-13 & A-14) in code A-13, and adds an allowance for expenditures related to DNR-approved safety training and education programs.
  - New# Existing codes A-15 to A-19 are renumbered to A-14 to A-18.
  - A-19 New definition for "humanitarian service". Honors humanitarian service demonstrated through philanthropy or volunteerism.
  - B(3) Replaces "natural disaster" with "catastrophe."  
Code changes effective 6-4-2005, except as noted
- Charitable contribution defined and include lawful purpose codes: A1-7, A-10-11, A13-15, and A-19.
- Licensed organizations must report annually to its membership and the Board a financial summary report including receipts, prizes paid, allowable expenses, lawful purpose expenditures and charitable contribution expenditures. Board then reports to Legislature.

### ALLOWABLE EXPENSES

- **Expense calculations** – raises limit to 60% effective 7-1-06. Bingo remains the same.
- For licenses issued after 6-30-06, compliance with expense calculations is measured on a biennial basis concurrent with license term, and is a condition of license renewal effective 7-1-08. Excess expenses must be reimbursed from nongambling funds.
- **Meat raffle compensation in bar ops** - allows compensation to an organization employee for tickets sales related to a "meat raffle" when conducted no more than once a week.

### MISCELLANEOUS AND TECHNICAL CHANGES

- **Board Duties** - removes bingo hall licenses, delegates additional authority to director, clarifies distributor salesperson, and requires annual financial report to Governor and Legislature regarding licensed organization receipts, expenses, lawful purpose, and charitable contributions.
- **Director's duties** - delegates additional duties to director.
- **Distributor gifts** limited to \$25 per organization per year.
- **Registration stamps** - removes obsolete language involving registration stamps, clarifies registration of gambling equipment (non-bar coded), and corrects technical errors.
- **Texas Hold-em** – Card game allowed but organizers are prohibited from charging or collecting any entry fee or other form of consideration from participants. Effective 6-4-2005

Summary prepared by Minnesota Gambling Control Board